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**COMMON MARKET FOR EASTERN AND
SOUTHERN AFRICA**

Eighth Meeting of the Transport and
Communications Committee

Lusaka, Zambia
18th – 20th October 2004

**REPORT OF THE EIGHTH MEETING OF THE
TRANSPORT AND COMMUNICATIONS COMMITTEE**

A INTRODUCTION

1. The Eighth Meeting of the Transport and Communications Committee was held from 18th to 20th October, 2004 at the COMESA Conference Centre in Lusaka, Zambia.

B. ATTENDANCE, OPENING OF THE MEETING, ELECTION OF THE BUREAU, ADOPTION OF THE AGENDA AND ORGANISATION OF WORK

Attendance

2. The meeting was attended by delegates from: Burundi, D.R. Congo, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe. The following organizations attended as Observers: United Nations Economic Commission for Africa (UNECA), USAID/REDSO/ESA, Transit Transport Co-ordination Authority (TTCA) and Anderberg/Ericsson Consortium. The list of participants is attached as Annex IX.

Opening of the Meeting (*Agenda Item 1*)

Speech by Guest of Honour

3. The meeting was officially opened by Honourable Alex Chama, MP, Deputy Minister of Communications and Transport of the Republic of Zambia. In his statement, he welcomed all delegates to Zambia on behalf of the Government and the people of Republic of Zambia.

4. The Minister observed that, if transport was encumbered with bottlenecks, it would increase the cost of doing business and would also deflate the impact of COMESA programmes in trade promotion, investment and even tourism.

5. The Minister urged the meeting to chart a way forward for the development of adequate physical infrastructure and formulation of effective regulatory and facilitation strategies to remove bottlenecks in the transport sector in order to reduce the cost of doing business in the COMESA region.

6. The Minister further noted that, although Africa had the highest rates of return on investment, it had been considered a high risk destination for capital in the past years. He further noted that it was possible to attract private investment into COMESA's infrastructure through implementation of private sector projects or private public sector partnership. This had already started with concessions for facilities such as railways where some of the COMESA member States had already carried out or were preparing to undertake.

7. With regard to air transport the Minister observed that, the efforts of COMESA on air transport liberalization were now bearing fruits with an increase in air services frequencies between various cities in the region coupled with reductions in airfares and freight charges.

8. Regarding the road sector, the Minister said that COMESA could make progress by sharing information on its good experience and best practice in the maintenance practices, regulatory structures, licensing and oversight in terms of overload control and load safety. With regard to railways he further said that COMESA member States agreed to adopt the corridor approach in cross border transport and was working to establish one stop border posts to reduce delays on transit transport operations and movement of goods and people.

9. On maritime transport the Minister said that it was encouraging that COMESA was working on the development of regional shipping services through co-operation among shipping lines and improvement in ports services through privatization of cargo handling operations.

10. With regard to ICT the Minister stated that, the policy and regulatory harmonization programme undertaken by COMESA over the past four years would enable COMESA to provide an enabling environment to attract investment and develop ICT services which would enable the COMESA region to bridge the digital gap.

11. The Secretary General of COMESA Mr. Erastus J. O. Mwencha, MBS, also made a statement during the opening session. In his Statement Mr. Mwencha expressed his gratitude to the Deputy Minister for officiating at the opening of the meeting despite his busy schedule of national responsibilities.

Remarks by the Secretary General

12. He noted that Zambia was making preparations to celebrate its Fortieth Anniversary of Independence and took the occasion to congratulate Zambia. He further expressed gratitude to Zambia for taking a leading role in the liberation of the African Continent and also fostering economic integration in the region as founder member of PTA and COMESA.

13. On transport, the Secretary General said that, the meeting would take note of the important role transport plays in determining the cost of conducting business and the overall competitiveness of COMESA region. He further noted that the cost of transport in the region was significantly high and in some cases could constitute up to 40% of business cost. This would be compared with an average of 12% in developed world. Thus, the high cost was one of the barriers to attracting Foreign Direct Investment (FDI).

14. The Secretary General pointed out that the meeting would deliberate on all transport sub-sectors namely roads, rail, air and water and stressed the need to implement the COMESA instruments which were meant to reduce transport costs and facilitate integration. He also stressed the need to mobilize financial resources through such instruments like the COMESA Fund for the development of the transport infrastructure in the COMESA region and the need to timely implement the regional infrastructure projects such as COMTEL and EASSY.

15. On Information and Communications Technology (ICT), the Secretary

General recognized that the region had a huge population that was not part of information society. He further highlighted that the region faced the digital divide not only among member States only but also between urban and rural areas.

16. While thanking participants for attending the meeting, the Secretary General also thanked the development partners for supporting COMESA's programmes i.e. European Union, Economic Commission for Africa, USAID, Universal Postal Union (UPU) and other partners.

Vote of Thanks

17. The delegate of Burundi, on behalf of all delegates, moved a vote of thanks to the Honourable Minister for his instructive and inspiring address, which, he pointed out, would guide the deliberations of the meeting. He further thanked the representatives of the partner organizations and also the Secretariat for the efforts made to make the meeting of the Committee a success.

Election of the Bureau (*Agenda Item 2*)

18. The meeting elected the following as members of the Bureau:

Chairman	-	Uganda
Vice Chairman	-	Burundi
Rapporteur	-	Sudan

Adoption of the Agenda and Organisation of Work (*Agenda item 3*)

19. The meeting adopted the following Agenda:

1. Opening of the Meeting
2. Election of the Bureau
3. Adoption of Agenda and Organization of Work
4. Consideration of the Report on the Status of Implementation of Programmes in the Transport and Communications Sector
5. Consideration of the Report on the Seventh Meeting of the Directors of Civil Aviation.
6. Consideration of the Report of the Workshop on Commercial Shipping in Eastern and Southern Africa
7. Consideration of the Report of Fifth Meeting of the COMTEL Board of Directors
8. Report of High Level ICT Forum and the ARICEA First Annual General Meeting (For Noting)

9. Consideration of Proposals on Establishment of Sectoral Subcommittees in Transport and Communications.
10. Any Other Business
11. Adoption of Report and Closure of the Meeting

Organization of Work

20. The meeting adopted the following hours of work:

Monday 18 th October, 2004	:	09.30 hours – 17.00 hours
Tuesday 19 th October, 2004	:	09.00 hours – 11.00 hours
Wednesday 20 th October 2004	:	10.00 hrs – 12.00 hours

C. ACCOUNT OF PROCEEDINGS

Consideration of the Report on the Status of Implementation of Programmes in the Transport and Communications Sector (*Agenda item 4*)

21. The Secretariat presented the report on Status of Implementation of COMESA Programmes in the Transport and Communications sector which was to be read together with reports of the respective subsector workshops and subcommittees.

I. Civil Aviation

Consideration of the Report of the Seventh Meeting of Directors of Civil Aviation and Aeronautical Authorities (*Agenda Item 5*)

22. The report of the Seventh meeting of the Directors of Civil, Aviation was presented by its Chairman Mr. El-Hafiz Salih of Sudan.

(i) Liberalization of Air Transport

23. The meeting noted that there were now twelve member states implementing Phase 1 of the programme, these include Burundi, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe. Council agreed in December 2000 that implementation of Phase II of the programme be put in abeyance pending the drafting and adoption of Air Transport Competition Regulations.

24. On the sectors where the Legal Notice No. 2 has been implemented there has been marked increase in weekly frequencies and passenger traffic. The fares on these sectors have decreased in real terms as compared to those where implementation is not taking place.

25. The number of frequencies has increased between several city pairs such

Nairobi Kigali from six to ten while Nairobi Lusaka has increased from eight to ten Nairobi –Djibouti from 2 to four. Airlines started services on new routes taking advantage of the provisions of Legal Notice No. 2 . These include Kenya Airways two weekly frequencies to Djibouti and Regional Air started services between Nairobi and Lilongwe. The Eritrean Airlines also was granted route rights to Entebbe, Uganda. The weekly frequencies for passenger services are shown on Annex I attached.

26. The meeting also noted that airlines have continued to renew their fleets to increase capacity and also procure modern and cost saving equipment and that the major fleet renewals are taking place in Kenya Airways and Ethiopian Airlines

(ii) Draft Regulations for Competition of Air Transport Services within COMESA, EAC and SADC

27. The meeting noted the Air Transport Regulatory Board and the meeting of the Directors of Civil Aviation/Aeronautical Authorities had reviewed the amendments to the draft competition rules by SADC and agreed that they were not touching on the substance of the original version of the Regulations prepared and adopted by the COMESA/EAC/SADC Ministerial meeting in Pretoria in September 2002. Such changes were minor and of drafting nature and hence endorsed them. The Draft Regulations are attached as Annex II.

Recommendation

28. The meeting recommended that the amended Competition Rules be adopted.

(iii) Funding Arrangements for Air Transport Regulatory Board

29. The meeting noted difficulties faced by the ATRB in discharging its mandate because of financial constraints. As a result the ATRB was not able to meet regularly and its last meeting was in September, 2002 even though it had a mandatory requirement to meet at least once every quarter of the year according to the regulations establishing the Board. The meeting whilst recognising the budgetary constraints being faced by the Secretariat and Member States stressed the need to have a permanent funding mechanism for the Board.

Recommendation

30. The meeting recommended that the Board Members be accorded an honorarium as per the provisions of the Regulations of its establishment and that Member States meet the cost of attending meetings for the Board Members while the Secretariat would support the activities of the Board and cover the meeting expenses.

(iv) The COMESA CNS/ATM Systems

31. The meeting noted the work carried out by the Working Group and the financial constraints it had faced. During its work, the Working Group established specific task forces to study the specific elements of CNS/ATM. The meeting further noted that there was need to co-ordinate and harmonize the implementation of CNS/ATM Systems with other sub-regional groupings such as SADC, EAC and ASECNA.

32. The meeting also appreciated the progress made by Mauritius and Egypt and Sudan in implementing their national CNS/ATM Systems and their offers to member states to visit and observe their systems. The meeting also noted ICAO's offer for co-operation with COMESA to develop and implement a regional CNS/ATM Systems project through provision of technical assistance and the mobilization of funds.

Recommendations

33. The meeting recommended that the ICAO offer for technical assistance to develop and mobilize funds for the implementation of a COMESA CNS/ATM Systems Project be accepted and that the Secretariat should follow-up and liaise with ICAO on the offer and that ICAO be commended for the offer.

34. The meeting further recommended that:

- (a) The COMESA Regional CNS/ATM Systems project should be implemented in collaboration with other sub-regional groupings such as SADC, EAC, ASECNA.
- (b) In order to provide a sustainable funding mechanism for activities of the Working Group Member States meet the cost of attending meetings for the Board Members while the Secretariat would support the activities of the Working Group and cover the meeting expenses.
- (c) Member States should be urged to respond to questionnaires sent to them by the Working group.
- (d) Member states should be urged to establish the National CNS/ATM Committees to co-ordinate the planning and implementation of CNS/ATM systems and ICAO AFI region.
- (e) A meeting of the CNS/ATM Co-ordinating Committee and other regional CNS/ATM Systems initiatives be convened to agree on the way forward on the development of the regional CNS/ATM Systems Project in conjunction with ICAO.

(iv) The COMESA COSCAP Project

35. The meeting noted the proposal made by ICAO for the Co-operative Development of Operational Safety and Continuing Airworthiness Programme (COSCAP)-COMESA project to enhance the Safety Oversight Operations of seven COMESA States which were not included in the EAC and SADC programmes. The project is planned to be funded in a co-operative manner by the participating States and funding partners and ICAO.

36. The meeting then endorsed the proposal to develop a COSCAP-COMESA project.

Recommendation

37. The meeting recommended that Secretariat and the seven member States continue to refine the project document in collaboration with ICAO.

II. SURFACE TRANSPORT

(a) The Sub-Saharan African Transport Programme(SSATP) Programme

38. The meeting noted that the SSATP programme is being implemented in Sub Saharan Africa and many COMESA member states were participating actively in the programme. The programme focusses on the development of dynamic and co-ordinated policy and regulatory instruments for best practices in maintenance and management of infrastructure in order to establish and preserve effective road infrastructure network to cater for international, national, rural and urban transport services. The meeting also noted that the project was funded through a Trust Fund established by participating development partners and hosted by the World Bank.

39. It was further noted that the programme supports the corridor management approach to manage cross-border facilitation of transit transport which includes regional management of axle load control, transport cost monitoring and capacity building. The regional programme would be implemented through the Regional Economic Communities and Sub-regional Organisations who were co-ordinated through a RECs Co-ordinating Committee.

40. The meeting noted that current projects being implemented in the ESA region through the SSATP Programme include the establishment of transport observatories and the establishment of a regional axle load management system.

41. The observatories would be established in the Northern Corridor, Dar Es Salaam Corridor and the North-South Corridor (Durban/Beit Bridge/Lusaka/Lubumbashi) and will collect information through trucking companies on the main factors which cause delays and increase transport along the Corridors.

(b) Road Transport

(i) Transit Transport Facilitation

42. The meeting noted the state of implementation of the approved COMESA road transport facilitation programme. Some facilitation instruments were not being implemented by member States and States were at different stages of implementation.

43. In terms of total performance with respect the road transport facilitation instruments, Eritrea, Ethiopia, Kenya, Malawi, Swaziland, Uganda, Zambia and Zimbabwe are implementing over 50 per cent of the instruments while the remaining member states are below this. The status of implementation of the road transport facilitation instruments is shown on Annex III attached.

Recommendation

44. The meeting urged member States to implement the transit facilitation instruments in order for the region to derive the full benefits from the instruments.

(ii) Road Infrastructure

45. In areas of physical infrastructure the meeting noted the road construction and rehabilitation works that had taken place in the last twelve months. The major works completed were mainly in rehabilitation of the networks. These included the following:

- (a) Livingstone – Katima Mulilo highway and the Shesheke Bridge which were completed in March, 2004 and will provide improved links for Namibia with Zambia, Zimbabwe, Malawi and Congo DR.
- (b) Rehabilitation works on sections of the Mombasa - Kampala highway in segments where pavement had deteriorated. This will facilitate transport through Kenya to Uganda, Rwanda, Burundi, Congo DR and Sudan.
- (c) Rehabilitation of the Gondar/Metema road linking Ethiopia to the Sudan and part of the Great North Road.
- (d) Upgrading of the Atbara - Port Sudan road which will shorten the distance from Khartoum to Port Sudan by nearly four hundred kilometres.

Recommendation

46. The meeting urged member States to provide the Secretariat with status reports of major road construction and rehabilitation projects in their countries.

(iii) Management and Funding of Road Infrastructure

47. The meeting noted that the establishment of Road Boards and dedicated road funds is ongoing in member States. Some countries have already adopted the policy of allowing for road concessioning and construction of roads through BOTs and Private Public Partnerships (PPP) so as to free the public sector from taking up responsibilities even where private sector is prepared to invest.

48. It was further noted that Kenya had undertaken a road concession study which indicated that the Mombasa/Malaba highway was viable for concessioning. Sections of the highway to be concessioned have already been identified and a decision made to concession them to private management that would carry out maintenance and management of the road network including overload control and then collect user fees.

(iv) Axle Load Control

49. The meeting noted that since the Axle Load Control as a transport facilitation instrument was adopted by COMESA but it has not been possible to implement it because of the prerequisites necessary to apply it regionally. The issues which need to be dealt with include the harmonisation of weighbridge equipment, weighing procedures, the acceptable of tolerance limits, the use of the Overload Control Certificate and the actual management of weighbridges.

50. In this regard, it would be necessary to prepare weighbridge manuals, build capacity in management, decriminalise overloading and adopt penalties which will deter offenders. The management of weighbridges also needs to be invested in agencies for which there will be no incentive for collusion with offenders.

51. Under the SSATP, funding has been provided to prepare a document on the main issues which need to be dealt with in order to facilitate the implementation of the Overload Control region-wide. The TORs have already been prepared and the consultant will be appointed and will work together with COMESA, EAC, ECA, IGAD, SADC, TTCA and other corridor management institutions to undertake the study. The study will be considered by a regional workshop to review and take the issues further in the process of adoption. The meeting urged that the overload control programme be taken as a priority.

Recommendations

52. The meeting urged the member States to attend the Regional workshop on axle overload control and urged member States to facilitate the implementation of axle overload control in their countries.

(c) Railways

53. The meeting noted that the concessioning of Zambia Railways was

completed and the concessionaire took over the operations at the beginning of November 2003.

54. The meeting noted that in East Africa, Kenya and Uganda are jointly concessioning their railway network. Expression of interest was sent out for potential bidders and offers were received on 15th of October 2004. The bids were being evaluated. Studies were still ongoing in the on the Ethio-Djibouti line. Eritrea was continuing to rehabilitate the Massawa – Asmara line. Extension work to rehabilitate the rest of the line west of Asmara were ongoing. Sudan had concessioned sectors of its national railway network.

55. The installation of RailTracker was completed for the Congolese Railways and the National Railways of Zimbabwe. This brought to seven the number of railway networks already using Railtracker for their operations and management.

56. In terms of new developments in railways, the five members of the Northern Corridor countries together with Ethiopia and Sudan held an extraordinary ministerial meeting in Nairobi in August, 2004 in which they discussed the missing links along the Corridor, the Great Lakes, Ethiopia and Southern Sudan. The meeting endorsed a project to link the Indian Ocean by rail to Kisangani with spur links to Goma, Bukavu, Kigali and Bujumbura and hoped that these projects would be considered under the COMESA infrastructure Priority Investment Plan.

57. The meeting also constituted a committee of Permanent Secretaries and other officials from member states to work with TTCA, COMESA, EAC and UNECA to co-ordinate the implementation of the implementation of the development of the network.

58. The Committee also noted that the link from Mchinji in Malawi to Chipata in Zambia had been given priority by both countries and detailed feasibility studies were being undertaken.

(d) Corridor Management

59. The meeting noted that the Corridor approach had now been adopted by the RECs as one of the most effective methods of transport facilitation. In this regard Corridor management Institutions and Committees were being established along the corridors. COMESA in conjunction with the SSATP, EAC and SADC was facilitating the establishment of the Committees/Institutions.

60. On the Dar-Es-Salaam Corridor where Malawi, DRC, Tanzania and Zambia are participating, the stakeholders have already signed the Constitution of the Corridor Management Committee and the MOU for the operations of the system has been finalised for signature by the member states.

61. USAID is providing assistance to both the Northern Corridor and the Dar Es Salaam Corridor through the Eastern and Southern Africa Trade Hubs programmes.

(i) Pilot Projects on One Stop Border Post

62. The meeting noted that the establishment of one-stop border posts had been endorsed by member states in Eastern and Southern Africa to facilitate border procedures in order to reduce delays. Works were ongoing in both Chirundu and Malaba.

63. On the Chirundu border, progress was being made to establish one stop border post facilities. The Steering Committee on implementation expanded its membership to include other stakeholders. Zambia had sent out tenders for expression of interest for investors who would be interested in setting up facilities such as buildings, secured storage facilities and vehicle parking on a BOT basis.

64. In Malaba border post a meeting of the Steering Committee was held at the end of March, 2004. The meeting agreed to expand the stakeholder representation and also to work on the needs assessment for the system, draw up a timetable for implementation and procure the resources to put in place the necessary infrastructure. The Tororo meeting agreed that for the rail component, the implementation can be undertaken with minimum delays by interfacing the two railways to extend operations between the border stations and arranging with the two customs authorities on how to honour the bonds guarantees. The TTCA reported that a needs assessment study had been carried out and a draft business plan prepared for the Malaba Border Post with funding from USAID under the ECA Hub. It was also pointed out that the legal frameworks need to be put in place at national levels using international conventions such as the Kyoto Convention dealing with customs issues in order to operationalize the joint border post.

(iii) Establishment of Corridor Observatories

65. The meeting noted that through the SSATP Programme, work was ongoing on the establishment of transport observatories in the Northern Corridor, Dar Es Salaam Corridor and the North South Corridor (Durban/Beit Bridge/Lusaka/Lubumbashi). The programme was being implemented jointly with EAC and SADC.

66. The meeting observed that the observatories would collect information through trucking companies on the main factors which cause delays and high cost in transiting through the various corridors. This will be done through drivers recording information along the routes and returning completed forms to the RECs for analysis.

67. The meeting further noted that the observatories will create an information database and from the database, standard reports can be regularly disseminated to stakeholders on the corridors indicating the performance of the corridor in terms of delays and cost of transiting through it and be used to formulate strategies to eliminate the factors causing delays.

III. MARITIME AND INLAND WATER TRANSPORT

(a) Ports

68. The meeting noted that ports reforms continued to take place with concessioning of port operations already in place in Djibouti and Mauritius. Other countries are also preparing for such reforms.

69. In this respect, Kenya was undertaking studies to facilitate the concessioning of cargo handling and other services at the port of Mombasa. Kenya was also promoting the establishment of a free trade zone on south of Mombasa Island making use of land already allocated for this activity in the past. The free trade zone would require additional port facilities to cater for the increased volume of cargo to be generated.

70. Seychelles was also working on a programme to commercialize its port services and studies to undertake the process were set to commence soon. Egypt had also established two large ports at East Port Said and Sohkhna on a landlord basis.

71. In terms of the development of port infrastructure, Djibouti was constructing new facilities which would create more capacity for transshipment and also the development of a Free Zone complex. Sudan also opened a new facility comprising a 548 meters of quay length and modern bulk handling equipment. Container traffic handled in the maritime ports increased by approximately 7.2 per cent between 2002 and 2003. Sudan was also planning to establish a Free Trade zone around Port Sudan and Suakin Port. The updated traffic for ports in Eastern and Southern Africa is shown on Annex IV.

(b) Shipping

Consideration of the Report of the Workshop on Commercial Shipping in Eastern and Southern Africa (*Agenda Item 6*)

72. The report of the Workshop on shipping in Eastern and Southern Africa was presented by the Secretariat.

73. The meeting noted the low market share attained by the regional shipping lines in the carriage of both regional and international trade in spite of the substantial volume of regional cargoes. It noted the low levels of capacity of regional operators in terms of the number of shipping lines, fleet sizes, vessel types and sizes, routes networks and the need for the development of capacity in ancillary support infrastructure such freight forwarders.

74. The meeting further noted the main constraints restricting the smooth operations of transport logistics in the region. This was attributed to the lack of appropriate road and rail infrastructure for inland transport. Other contributing factors were lack of training especially in the freight forwarding and logistics industry, inadequate harmonization in technology, insecurity concerns in the

region and poor co-ordination between ports and inland handling facilities.

75. The main issues which arose then were:

- Non-availability of market information (trade flows, transport prices inland and at sea among others;
- lack of operating capacity amongst regional shipping lines,;
- lack of capacity by logistics providers and their inability to become partners in international transport operations;
- Shortage of technical and skilled manpower in shipping and ancillary sectors;
- Absence of or weakness of regional institutions such as ISCOS, freight forwarders associations and shippers' councils among others.
- Policy and regulatory Framework that are not harmonized.

(i) Regulation of the transport sector

76. The meeting noted that some transport sectors are not adequately regulated, notably the major liners were establishing regional shipping agencies, for provision of in-house auxiliary activities which restricted competition by excluding participation by regional organizations.

Recommendations

77. That COMESA should develop a regional shipping policy and regulatory framework and that National Regulatory authorities should implement the harmonized policy and regulatory framework to regulate the activities of the shipping industry.

78. COMESA should also co-ordinate the development of regional implementation of maritime safety, security and search and rescue.

(ii) Interline Co-operation Arrangements

79. The meeting noted that the regional shipping lines can establish co-operation arrangements among themselves with the objective to build regional expertise, and become partners to international shipping lines for their regional activities. Secondly they can develop their network by entering into agreements with international shipping line(s).

80. The above approaches are complementary to each other, as strengthening co-operation among regional shipping lines places them in a better position to negotiate with international shipping line and obtain access to their

networks. The meeting further noted that the barriers to entry in shipping are high, and that regional co-operation can lower entry costs.

Recommendations

81. The meeting made the following recommendations:

- Regional shipping lines be encouraged to co-operate among themselves in order to form alliances in order to expand their route networks, acquire and share vessels and equipment, and initiate exchange of market information.
- The regional shipping lines be encouraged to establish an African Association of Shipping Lines to enhance regional co-operation and development of the shipping industry.

(iii) Capacity building

82. The meeting noted that there was a shortage of technical and skilled manpower in the shipping industry and that there was need for training of personnel in the transport industry and provide support for the establishment of industry. The meeting also recognized the need to establish industry associations and to offer technical assistance and capacity building to the industry associations.

83. In this regard training is to be provided to technical personnel, notably seafarers and commercial personnel (freight forwarders, transport operators and terminal operators among others).

84. For seafarers, it was noted that standards have been established under the IMO, and institutions which are compliant with IMO standards are clearly identified by IMO. For other types of personnel required by the transport industry, standards exist, such as FIATA for freight forwarders.

85. An important part of the training of seafarers requires sea-time, whereas the lack of national vessels constrains the completion of their training. Some countries have solved this problem through bilateral arrangements with ship-owning countries an approach which could also be applied in the region.

86. The Egyptian delegation offered member States scholarships to send trainees to their maritime institutions in Egypt to study various courses offered there. These courses cover a broad area in the maritime transport industry and include seafaring, port operations, maritime safety and security. In the offer each COMESA member State may send one student who would obtain free tuition but would pay for transport, accommodation, boarding and other incidental expenses.

Recommendations

87. The meeting recommended that:

- Member States should commend and thank the Egyptian Government for the offer of training scholarships;
- Secretariat shall liaise with the member States and Egyptian Government on the offer.

88. The meeting also made the following recommendations:

- The Secretariat is required to prepare a list of all training institutions and facilities in the region, detailing types of courses offered and capacities, for both categories of training and distribute to member states;
- The Secretariat is requested to prepare A regional training co-operation framework to enable the trainees to undertake their sea-time training on board of the regional shipping lines.
- Member States with shipping liners are urged to offer slots for sea-time training for seafarers.
- Member States should facilitate the establishment of industry associations and assign to industry associations a role in the training of personnel and setting up harmonized criteria for licensing of operators.
- The Secretariat to prepare a model institutional framework for industry associations detailing possible roles, organization, and institutional arrangements and funding for the Shippers' councils.

89. A draft Action Plan for implementing the recommendations showing the focus areas, actions needed, parties responsible and timelines is attached as Annex V.

(c) Inland Water Transport

90. The meeting noted that the Secretariat had circulated the Mwanza Model Safety Regulations to member states and was sourcing for funding in collaboration with IMO to undertake the customization and implementation in member states. Customization is already taking place for the countries covering Lake Victoria through an EAC Programme.

91. It also noted that in order to implement the regulations effectively, there was need for improvement of navigation infrastructure and capacity building to develop competence in navigation in personnel, boat construction and in regulatory matters.

92. The meeting further noted that the four lacustrine states sharing Lake Tanganyika namely Burundi, Congo DR, Tanzania and Zambia established an Interim authority to manage the lake environmental aspects and resources. The interim authority was being funded through GEF and ADB and would be transformed into an independent self-sustaining body when all the four states ratified the convention establishing it.

IV. COMMUNICATIONS

Consideration of the Fifth meeting of the COMTEL Board of Directors

(Agenda item 7)

(a) COMTEL Project

93. The report of the Fifth Meeting of the Interim Board of Directors of COMTEL was presented. The Board Meeting was held from 15 – 16 March 2004 in Lusaka. The meeting noted that there were three offers submitted by Anderberg/Ericsson Consortium, Synergie Africa and ZTE Corporation respectively. The Board agreed that the proposal by Anderberg/Ericsson Consortium complied with the original COMTEL concept and selected Anderberg/Ericsson Consortium as Strategic Equity Partners (SEP). The Board mandated the Secretariat to commence discussions on the Heads of Agreement and appointed the SEP in conjunction with the Secretariat to carry out a due diligence exercise and produce a Project Information memorandum for presentation to prospective investors.

94. It was reported that the Heads of Agreement was signed in June 2004. The Consortium commenced the due diligence exercise which will be completed in December 2004. Country visits by the EP were scheduled for the first week of November 2004.

95. The Committee discussed the report. The Committee emphasized the need for implementing the project in a speedy manner in order to improve interconnectivity and improve the telecommunications and ICT services. The share contribution for NTOs distributed equally and each NTO was to remit US \$1.8 as shares contribution.

Recommendations

96. The Committee recommended the following:

- (i) Member States are urged to support the implementation of COMTEL and facilitate the due diligence exercise;
- (ii) NTOs are urged to participate in the COMTEL project and cooperate and facilitate the due diligence exercise by the SEP;
- (iii) NTOs are urged to submit information on their networks including traffic and annual reports and respond to questionnaires sent to

them by the SEP not later than 15th November 2004.

(b) Harmonization of ICT Policy and Regulatory Framework

97. The meeting noted that the programme on the Harmonization of policy and regulatory framework was ongoing with funding from USAID. National assessments on the status of ICT policy and regulatory issues were carried out in seventeenth Member States. An assessment report was produced and sent to member States for comments. Comments received were incorporated in the report. The status of implementation of the COMESA ICT Policy and Model Bill is shown in Annex VI.

98. The report of the assessment process was discussed by a Ministerial High Level ICT Policy Forum which was held in Kigali, Rwanda, 1-3 September 2004.

Association of Information and Communications for Eastern and Southern Africa (ARICEA) (Agenda item 8)

(i) ARICEA Annual General Meeting

99. The report of the First Annual General Meeting of the Association of Regulators of Information and Communications for Eastern and Southern Africa (ARICEA) that was held in Kampala, Uganda in January 2004 was presented by the Uganda Communications Commission (UCC), the current chairperson for ARICEA.

100. The Annual General Meeting (AGM) discussed issues pertaining to operationalization of Technical Committees, Work Programme 2004, Policy Guidelines on Interconnection, Licensing, Universal Access/Service, Competition and pricing of ICT services among other issues.

101. The AGM also urged relevant authorities to join ARICEA and member States to form national ICT Committees.

102. In the discussions which followed the meeting emphasised the need to conduct a cost study which would assist States to assess the cost structure of ICT services tariffs. The meeting stated the importance of having common policies on Electronic Data Interchange (EDI) and the Financial ICT services that facilitate international transactions as they would become a requirement in the future international trade.

103. The meeting recommended the following:

- (a) Regulatory authorities that were not yet members of ARICEA be urged to join as soon as possible;
- (b) Member States be encouraged to make full use of NetTel@Africa by encouraging enrolment of students to institutions which will deliver the courses;

- (c) Regulators are urged to participate in peer to peer arrangements with other regulatory authorities;
- (d) Local universities and other academic institutions be encouraged to adopt and adapt the [NetTel@Africa](#) modules to national needs and deliver the courses;
- (e) Member States adopt, adapt and implement the guidelines;
- (f) Regulators are urged to submit six monthly reports to the Secretariat on the status of implementation of the above recommendations;
- (g) COMESA Secretariat be requested to seek financial support on behalf of members to undertake costing studies;
- (h) Member States are urged to form national ICT Committees to facilitate the implementation of the ICT policy.

(ii) High Level ICT Policy Forum Report

104. The Secretariat presented the report of the National High Level ICT Forum that was held in Kigali, Rwanda on 1-3 September 2004 for noting.

105. The Committee noted the Report. The report will be presented to the Ministers of Transport, Communications and Public Works for their consideration.

(iii) Implementation of Policy Guidelines

106. Policy guidelines on licensing, interconnection, universal service/access, competition and pricing of ICT services have been developed and adopted by ARICEA. A monitoring matrix for implementation has also been adopted. These policy guidelines are expected to be implemented in two years time. Member States are expected to report bi-annually on the implementation of these policy guidelines. Member States that have already submitted reports are Sudan, Kenya, Uganda, Rwanda, and Swaziland.

107. More guidelines on consumer protection and Key performance indicators have been developed. These policy guidelines were developed through a consultative process involving all stakeholders in the ICT sector.

(iv) Other ARICEA Activities

108. The adopted ICT policy and model bill as well as the policy guidelines have been published and will be distributed to Member States.

109. The ARICEA website design is being undertaken and expected to be completed in good time. Member States are expected to utilize the website and

also obtain information and advertising their ICT projects and activities. Through ARICEA logo is in process. The best logo will be selected.

The Ninth EDF ICT Support Programme

110. The meeting noted that the ICT Support Programme prepared by COMESA for funding through the EDF was approved in June 2004. The total funding for the programme is about Euro 21 million. The overall objective of this Programme is to contribute to the ESA region's integration agenda through an effective and efficient Information and Communications Technologies (ICT) environment which will reduce the costs of trade and investment. This will stimulate economic growth and reduce poverty.

111. The programme will also facilitate the reduction in the digital divide by removing some of the constraints to the efficient use of ICT. Currently, more efficient use of ICT by entrepreneurs and policy makers is inhibited by a combination of a restrictive regulatory environment; poor connectivity; poor access to commercially valuable information; and a lack of ICT skills.

112. The programme will address all of these issues in an integrated manner and is expected to achieve the following:

- (a) The development, and monitoring of implementation, of ICT policy guidelines and strategies and monitoring of e-readiness status;
- (b) Provision of high-speed Internet connectivity to key regional stakeholders and installation and use of ASYCUDA++ in selected countries; and
- (c) Improved and more efficient access to economic, commercial and practical information for the public and private sector through establishment of regional Internet portals, information clearing houses and database-driven websites coupled with improved SMEs ICT skills.

113. The activities to achieve the expected results in the regulatory environment will be carried out through the national ICT working groups set up and maintained by the Programme. The working groups will push forward the national policy changes required in each country as well as monitoring e-readiness status in each country and act as a focal point for ICT human resource development. The support for improvement of connectivity will include detailed technical and financial sustainability evaluations followed by installation of appropriate hardware and software and training.

114. An evaluation of those countries willing and ready to migrate to ASYCUDA++ will be carried out and, subject to a satisfactory evaluation, installation and training will be undertaken through the Regional ICT Support Programme. Improved access to commercially and economically viable information over the internet and training in ICT skills will be done through the

establishment of portals, clearing houses, website development and incubator projects.

115. The project will make full use of the structures of the regional organisations to implement policy. Policy guidelines will be developed at the technical level through national ICT working groups, which will be co-ordinated at the regional level by (ARICEA).

Postal Services

116. The meeting noted that the Secretariat in conjunction with the Universal Postal Union (UPU) was currently preparing a policy and regulatory harmonization project for postal services in COMESA. A study was commissioned to undertake the following activities:

- (i) assessment of the current situation in the postal sector;
- (ii) preparation of policy guidelines;
- (iii) model regulations; and
- (iv) preparation of an implementation and monitoring plan

117. The process of preparing the policy guidelines, model regulations and implementation and monitoring plan will be undertaken through a consultative process involving relevant stakeholders by means of national consultations and regional workshops. The report of the study will be considered at a regional workshop of Postal Stakeholders on 22 – 23 November 2004 in Lusaka, Zambia.

Recommendations

118. Member States were requested to urge their national postal stakeholders to attend the workshop.

V. DEVELOPMENT OF PHYSICAL INFRASTRUCTURE

(a) COMESA Priority Investment Programme (PIP)

119. The meeting noted the progress made in the development of the COMESA Priority Investment Programme. The Revised Draft Financing Proposal had been prepared and submitted to the European Commission and discussions were ongoing between the Secretariat and the Commission in order to finalize the Financing Proposal.

120. It also noted that with regard to the NEPAD framework, the Secretariat has taken an active role and participated in the NEPAD initiatives with respect to the development of infrastructure sector. Inputs have been provided into the preparation of the concepts and the Draft TORs for development of the Medium to Long-term Strategic Framework which is to commence soon.

121. The meeting further noted that the Secretariat also participated in the preparation of priority programmes and projects for the NEPAD Eastern Africa

consultative meeting which took place in Nairobi in April, 2004.

(b) COMESA Five Year Priority Projects

122. The meeting received an update on the COMESA Five Year Priority Projects from Egypt, Eritrea, Ethiopia, Kenya, Malawi, Sudan and Zimbabwe. The updated list is attached as VII.

123. It also noted that some of the projects already listed have been submitted to the ADB as priority projects under the NEPAD framework and some have been included in the NEPAD Short Term Action Plan (STAP)

VI. METEOROLOGY

124. On the Meteorological programmes the meeting was informed that METEOSAT Second Generation Satellites equipment had already been installed in some countries through EDF, funding

125. On the COMESA Comprehensive Strategic Meteorological Programme the meeting noted that due to lack of funding preparation of the programme had not yet taken place. However, the Secretariat informed the meeting that it had allocated some budget resources to commence the preparation of a draft programme to be considered by the Working Group. The preparation of the Draft Programme would commence in November and the Working Group would convene in 1st quarter of 2005. Thereafter, the Directors of Meteorology would meet to consider the Draft Programme.

Consideration of Proposals on Establishment of Sectoral Sub-Committees in Transport and Communication (Agenda item 9)

126. The Secretariat introduced an information paper proposing the formation of the subcommittees in the Transport and Communications sector. The Subcommittees were to cover Roads, Railways, Maritime and Inland Waters and ICT as the one for the Directors of Civil Aviation and also the Directors of Meteorology which already exist.

127. The proposals were tabled for noting only as Secretariat was still studying the cost and budget implications of forming such subcommittees. However, comments from member states were to be used in finalizing the proposal for presentation to the Committee at a later date.

128. The Secretariat informed the meeting that over the years, a great deal of work on the facilitation of the transport and communications sector had been undertaken. This dealt primarily with setting up regional policy, designing of models for harmonization of policy, regulatory and implementation frameworks. Facilitation instruments have been designed with standards and procedures to smoothen the flow of traffic and movement of persons across borders.

129. While various programmes have been drawn up to facilitate trade,

effective implementation of these programmes is not always easy because of constraints encountered by member states. These constraints arise primarily from lack of capacity and resources in some member states.

130. The development and oversight of the implementation of programmes in the sector is vested in the Transport and Communications Committee and the Committee of ministers which forward their recommendations to the Council. The COMESA organs usually conduct business at scheduled meetings which in most cases convene only once a year and handle business for all the numerous subsectors on the basis of reports prepared mainly by the Secretariat. Because of the frequency of meetings of the relevant COMESA organs and the composition of delegations from member states, it is often not possible discuss issues in sufficient details and take concrete decisions on all the important issues in the numerous subsectors.

131. Experience had shown that implementation of programmes had not been easy not just because of lack of capacity and resources in member states, but also due to the lack of effective networking among all the players involved in specific subsectors so that they could be kept focused to deal with their specific issues on a continuous basis throughout the year.

Roles of Sectoral Subcommittees

132. The roles of the subcommittees were to focus more on the road, rail maritime transport and ICT subsectors in order to undertake more specific tasks and to facilitate networking through regular consultations in order carry out their mandates and speed up implementation of programmes. These subcommittees would prepare sectoral reports and recommendations for consideration by the main committee and also take up the implementation of decisions made by Council.

133. These subcommittees would undertake continuous interactions throughout the year ensuring regular monitoring of progress with relevant stakeholders participating and providing their inputs. The subcommittees would be in an ideal position to prepare sub-sectoral reports containing achievements; constraints encountered and proposed action plans for consideration by the main Committee and higher organs. Through continuous networking, member States would be able to share information, exchange expertise where necessary and through peering would facilitate the emergence and best practices to be applied in the region.

Methods of Working

134. The Subcommittees would operate through interactive means such as meetings, group email networks or through exchange of information and materials through correspondence. As technology develops and more cost effective facilities are accessible, the Subcommittees networks could use televedio conferencing for interactive communications.

135. In order to minimize the costs of interactions but still keep the Subcommittee networks actively in contact, the email will be the most appropriate means of communication. This will minimize costs by limiting travel to only when it is absolutely necessary.

136. The cost of travel would be borne by member states while the Secretariat would meet the costs of preparing working papers and consultants where necessary. It was accepted that the proposal of rationalizing of cost sharing between the Secretariat and member States was to be considered

137. During comments after the presentation it was proposed that an Air Transport Facilitation Sub-Committee, meteorology and postal services be considered when the Secretariat was refining the document. It was also pointed out there would be need for rationalization with existing subcommittees to avoid duplication in the formation of the subcommittees. For example the subcommittee of the Directors of Civil Aviation could be expanded to include issues relating to the facilitation of air transport.

Any other business (Agenda item 10)

138. The Secretary General of COMESA took advantage of this agenda item to inform the meeting about the COMESA Fund.

139. The Secretary General said the Fund is provided for under the Treaty which recognises the need to pool resources by Member States to enable them realise regional integration. COMESA Policy Organs accepted this programme in 2000 and what was required was ratification at national level. Four States had so far ratified and one member State had already contributed to the Fund. The Fund had two windows, compensatory and developmental. The compensatory window would be used for budgetary support for member States implementing COMESA trade liberalization programmes. Whilst the development window would be used to develop regional infrastructure in transport, ICT and energy. He further informed the meeting that under EDF 9, 50 million Euros was available for infrastructure development.

140. The development aspect had an option to leverage funding from the private sector and multilateral funding institutions such as the World Bank.

141. The World Bank has already indicated that if States opt to contribute to regional fund for infrastructure using the country contributions through IDA there would be great benefit in the whole region as the Bank would disburse two times the national contributions. He further said it was important that COMESA Ministers of Finance endorse this proposal.

142. Regarding the issues raised by member States on putting conditionalities for accessing the fund linked to other institutions not party to the Fund e.g. the IMF, the SG confirmed to the meeting that the issue had now been resolved with the EU and the conditionalities had now been removed.

143. The Secretariat informed the meeting that COMESA was developing an HIV/AIDs programme in conjunction with USAID/REDSO as a mitigation strategy against the pandemic along transport corridors. A presentation was made by USAID on this subject.

144. The Secretariat informed Member States that ATU had sent out a letter urging for discussions by member States to agree on a common position during the ITU Council meeting in 2006. A resolution has been sent to member States to discuss and agree on countries to represent Africa representations in the Council and provide feedback to the Secretariat. The objective is to have more States in the ITU Council representing the African Continent and to agree on States to be elected to the Council.

Consideration of the Report and Closure of the Meeting (*Agenda item 11*)

145. The Report of the Meeting was adopted with amendments.

146. In closing the meeting the Chairman thanked all the delegates for their valuable contributions and good co-operation extended to him during the meeting.

Vote of thanks

147. A representative of Sudan moved a vote of thanks to the Chairman on behalf of delegates in which he congratulated the Chairman for the efficient manner in which he conducted the meeting. He also thanked the Secretariat for the organization and facilities put at their disposal during the meeting.